

RECEIVED  
LEGISLATIVE AUDITOR  
04 DEC -2 AM 11:21

**PLAQUEMINES PARISH SHERIFF**  
**Pointe-A-La-Hache, Louisiana**

**Financial Report**

**Year Ended June 30, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-26-05

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 2
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)</b>	
Comparative statement of net assets	5
Comparative statement of activities	6
<b>FUND FINANCIAL STATEMENTS (FFS)</b>	
Fund descriptions - major funds	
Balance sheet - governmental funds	9
Reconciliation of the governmental funds balance sheet to the statement of net assets	10
Statement of revenues, expenditures, and changes in fund balance (deficit)- governmental funds	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balance (deficit) of governmental funds to the statement of activities	12
General fund budgetary comparison schedule	13
Fund descriptions - nonmajor funds	
Statement of fiduciary assets and liabilities - agency funds	15
Notes to basic financial statements	16-32
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
General Fund:	
Budgetary comparison schedule - revenues	34
Budgetary comparison schedule - expenditures	35-36

## TABLE OF CONTENTS

	<u>Page</u>
OTHER SUPPLEMENTARY INFORMATION	
COMPLIANCE AND INTERNAL CONTROL	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	39-40
Schedule of Prior and Current audit findings and management's corrective action plan	41-43

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Vinton R. Slaven, CPA\*  
Conrad O. Chapman, CPA\*  
P. Troy Courville, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*

P.O. Box 250  
Breaux Bridge, LA 70517

Phone (337) 332-1020  
Fax (337) 332-2867

WEB SITE:  
WWW.KCSHCPAS.COM

MEMBER OF  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

Robert S. Carter, CPA  
Allen J. LaBry, CPA  
Harry J. Costello, CPA  
Penny Angelo Scruggins, CPA  
Christine L. Cousin, CPA  
Mary T. Thibodeaux, CPA  
Kelly M. Doucet, CPA  
Kenneth J. Rachal, CPA  
Cheryl L. Bartley, CPA, CVA

\* A Professional Accounting Corporation

## INDEPENDENT AUDITORS' REPORT

The Honorable Irvin F. Hingle, Jr.  
Plaquemines Parish Sheriff  
Pointe-A-La-Hache, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Plaquemines Parish Sheriff, as of and for the year ended June 30, 2004, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Plaquemines Parish Sheriff's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Plaquemines Parish Sheriff, as of June 30, 2004, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated October 22, 2004, on our consideration of the Plaquemines Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

43 South Breaux Bridge  
Lafayette, LA 70501  
Phone (337) 332-4344  
Fax (337) 332-4344

113 East Breaux Street  
Breaux Bridge, LA 70517  
Phone (337) 332-4129  
Fax (337) 332-4907

35 East Waltham  
Morgan City, LA 70350  
Phone (850) 383-9152  
Fax (850) 383-8961

114 East J.D. Street  
Morgan City, LA 70380  
Phone (850) 383-0031  
Fax (850) 383-3026

408 West Cause Street  
Vidre, LA 70586  
Phone (337) 363-2762  
Fax (337) 363-4489

312 West South Avenue  
Opoussin, LA 70675  
Phone (337) 664-2237  
Fax (337) 664-2568

287 South Main Street  
Abbeville, LA 70510  
Phone (337) 894-3911  
Fax (337) 894-7946

The required supplementary information on pages 33 through 36 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Plaquemines Parish Sheriff has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plaquemines Parish Sheriff's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the basic financial statements of the Plaquemines Parish Sheriff.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
October 22, 2004

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Comparative Statement of Net Assets  
June 30, 2004 and 2003

ASSETS	<u>2004</u>	<u>2003</u>
Current assets:		
Cash and interest-bearing deposits	\$ 307,142	\$ 4,348,241
Investments	4,328	4,287
Receivables	-	20,435
Due from other governmental units	904,766	499,956
Prepaid items	<u>69,394</u>	<u>-</u>
Total current assets	<u>1,285,630</u>	<u>4,872,919</u>
Noncurrent assets:		
Restricted assets:		
Cash and interest-bearing deposits	305,563	-
Capital assets, net	<u>11,649,804</u>	<u>12,111,042</u>
Total noncurrent assets	<u>11,955,367</u>	<u>12,111,042</u>
Total assets	<u>13,240,997</u>	<u>16,983,961</u>
LIABILITIES		
Current liabilities:		
Accounts, contracts and other payables	653,647	543,251
Loan payable	540,000	6,215,000
Interest payable	70,786	199,852
Claims payable	295,593	303,520
Deferred revenue	76,390	-
Capital lease payable	-	74,745
Bond payable	<u>617,302</u>	<u>1,040,000</u>
Total current liabilities	<u>2,253,718</u>	<u>8,376,368</u>
Noncurrent liabilities:		
Bond payable	<u>5,229,605</u>	<u>4,595,000</u>
Total liabilities	<u>7,483,323</u>	<u>12,971,368</u>
NET ASSETS		
Invested in capital assets, net of related debt	5,802,897	6,401,297
Restricted	229,173	-
Unrestricted	<u>(274,396)</u>	<u>(2,388,704)</u>
Total net assets	<u>\$ 5,757,674</u>	<u>\$ 4,012,593</u>

The accompanying notes are an integral part of the basic financial statements.



PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Comparative Statement of Activities  
For the Years Ended June 30, 2004 and 2003

Expenses:	2004	2003
Public safety:		
Personal services and related benefits	\$ 5,971,677	\$ 5,667,403
Operating services	2,081,097	2,293,018
Operations and maintenance	3,350,233	3,038,022
Travel	3,496	527
Capital outlay	-	5,551
Interest expense	397,219	477,735
Total expenses	11,803,722	11,482,256
 Program revenues:		
Fines, forfeitures, and other fees	3,652,818	2,484,866
Net program expense	(8,150,904)	(8,997,390)
 General revenues:		
Property taxes, levied for general purposes	8,739,076	8,163,251
State sources	1,006,384	1,150,587
Interest and investment earnings	34,424	50,492
Miscellaneous	116,101	114,479
Total general revenues	9,895,985	9,478,809
 Change in net assets	1,745,081	481,419
Beginning net assets	4,012,593	3,531,174
Ending net assets	\$ 5,757,674	\$ 4,012,593

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS - MAJOR FUNDS**

### **MAJOR FUNDS**

#### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

#### **Capital Projects Fund**

The Capital Projects Fund was established during fiscal year ended June 30, 1999. This fund is used to account for improvements to the jail facility as well as other lawful expenses and operations of the sheriff's office.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Balance Sheet  
Governmental Funds  
June 30, 2004  
With Comparative Totals for June 30, 2003

	General	Capital Projects	Totals (Memorandum Only)	
			2004	2003
<b>ASSETS</b>				
Cash and interest-bearing deposits	\$ 468,032	\$ -	\$ 468,032	\$ 4,348,241
Investments	4,328	-	4,328	4,287
Receivables:				
Taxes	-	-	-	20,435
Due from other governmental units	959,577	-	959,577	408,840
Prepaid items	69,394	-	69,394	-
Total assets	\$ 1,501,331	\$ -	\$ 1,501,331	\$ 4,781,803
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>				
Liabilities:				
Accounts payable	\$ 446,376	\$ -	\$ 446,376	\$ 329,210
Loan payable	540,000	-	540,000	6,215,000
Interest payable	70,786	-	70,786	199,852
Claims payable	295,593	-	295,593	303,520
Deferred revenue	76,390	-	76,390	-
Contracts payable	-	145,984	145,984	145,984
Due to employees	61,287	-	61,287	68,057
Total liabilities	1,490,432	145,984	1,636,416	7,261,623
Fund balance (deficit) -				
Unreserved, undesignated	10,899	(145,984)	(135,085)	(2,479,820)
Total fund balance (deficit)	10,899	(145,984)	(135,085)	(2,479,820)
Total liabilities and fund balance (deficit)	\$ 1,501,331	\$ -	\$ 1,501,331	\$ 4,781,803

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
June 30, 2004

Total fund deficits for governmental funds at June 30, 2004		\$ (135,085)
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Buildings and improvements, net of \$972,490 accumulated depreciation	11,227,380	
Equipment and vehicles, net of \$3,800,389 accumulated depreciation	<u>422,424</u>	11,649,804
General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:		
Bond payable	(6,110,000)	
Difference between refunded debt and its reacquisition price is accounted for as a deferred charge	350,791	
Amortization of deferred charge	<u>(87,698)</u>	(5,846,907)
Receivable recorded under the accrual basis of accounting:		
Due from Plaquemines Parish Government		<u>89,862</u>
Total net assets of governmental activities at June 30, 2004		<u>\$ 5,757,674</u>

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit)-  
Governmental Funds  
Year Ended June 30, 2004  
With Comparative Totals for the Year Ended June 30, 2003

	General	Capital Projects	Totals (Memorandum Only)	
			2004	2003
<b>Revenues:</b>				
Taxes	\$ 8,739,076	\$ -	\$ 8,739,076	\$ 8,163,251
Intergovernmental	1,006,384	-	1,006,384	1,150,587
Fees, charges, and commissions for services	3,654,072	-	3,654,072	2,393,750
Interest income	34,424	-	34,424	50,492
Miscellaneous	116,101	-	116,101	114,479
Total revenues	<u>13,550,057</u>	<u>-</u>	<u>13,550,057</u>	<u>11,872,559</u>
<b>Expenditures:</b>				
Current -				
Public safety	5,971,677	-	5,971,677	5,667,403
Operating services	2,081,097	-	2,081,097	2,293,018
Operations and maintenance	2,720,807	-	2,720,807	2,426,557
Travel	3,496	-	3,496	527
Debt service - principal	91,225	-	91,225	1,252,310
Debt service - interest	380,739	-	380,739	477,735
Capital outlay	80,490	-	80,490	208,593
Total expenditures	<u>11,329,531</u>	<u>-</u>	<u>11,329,531</u>	<u>12,326,143</u>
<b>Other financing source (use):</b>				
Proceeds from bond refunding	6,110,000	-	6,110,000	-
Payment to escrow agent - refunded debt	(5,985,791)	-	(5,985,791)	-
Total other financing source	<u>124,209</u>	<u>-</u>	<u>124,209</u>	<u>-</u>
Net changes in fund balance (deficit)	2,344,735	-	2,344,735	(453,584)
Fund deficits, beginning	<u>(2,333,836)</u>	<u>(145,984)</u>	<u>(2,479,820)</u>	<u>(2,026,236)</u>
Fund balance (deficit), ending	<u>\$ 10,899</u>	<u>\$ (145,984)</u>	<u>\$ (135,085)</u>	<u>\$ (2,479,820)</u>

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance (Deficit) of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2004

Total net change in fund balance (deficit) at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)	\$ 2,344,735
--	--------------

The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)	\$ 78,209	
Depreciation expense for the year ended June 30, 2004	<u>(533,969)</u>	(455,760)

Because governmental funds do not record fixed assets and accumulated depreciation, any assets disposed of with no selling price do not affect the statement of revenues, expenditures, and changes in fund balance (deficit). However, in the statement of activities, a gain or loss is shown on assets that are not fully depreciated.

(5,478)

Governmental funds' record all debt activity in the Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit) whereas some of the debt activity (ex: principal payments) is recorded in the Statement of Net Assets.

Principal debt payments for the year ended June 30, 2004	74,745	
Other financing sources and uses (net) are recorded as debt and reduction of debt		(124,209)
Amortization of deferred charges		(87,698)

Change in Due from Plaquemines Parish Government	<u>(1,254)</u>
--	----------------

Total changes in net assets at June 30, 2004 per Statement of Activities	<u>\$ 1,745,081</u>
--	---------------------

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF  
 Pointe-A-La-Hache, Louisiana  
 General Fund

Budgetary Comparison Schedule  
 For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 8,450,000	\$ 8,750,000	\$ 8,739,076	\$ (10,924)
Intergovernmental	834,500	853,367	1,006,384	153,017
Fees, charges, and commissions for services	4,244,500	3,536,250	3,654,072	117,822
Interest Income	52,000	22,000	34,424	12,424
Miscellaneous	53,800	53,763	116,101	62,338
Total revenues	<u>13,634,800</u>	<u>13,215,380</u>	<u>13,550,057</u>	<u>334,677</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public safety:</b>				
Personal services and related benefits	5,943,200	6,087,400	5,971,677	115,723
Operating services	2,539,000	2,489,000	2,081,097	407,903
Operations and maintenance	1,877,700	2,414,437	2,720,807	(306,370)
Travel	100	1,000	3,496	(2,496)
Debt service	1,710,400	396,600	471,964	(75,364)
Capital outlay	26,000	102,500	80,490	22,010
Total expenditures	<u>12,096,400</u>	<u>11,490,937</u>	<u>11,329,531</u>	<u>161,406</u>
Excess of revenues over expenditures	<u>1,538,400</u>	<u>1,724,443</u>	<u>2,220,526</u>	<u>496,083</u>
<b>Other financing source (use):</b>				
Proceeds from bond refunding	-	-	6,110,000	6,110,000
Payment to escrow agent - refunded debt	-	-	(5,985,791)	(5,985,791)
Total other financing source	<u>-</u>	<u>-</u>	<u>124,209</u>	<u>124,209</u>
Fund deficit, beginning	<u>(2,333,836)</u>	<u>(2,333,836)</u>	<u>(2,333,836)</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ (795,436)</u>	<u>\$ (609,393)</u>	<u>\$ 10,899</u>	<u>\$ 620,292</u>

The accompanying notes are an integral part of the basic financial statements.



## **FUND DESCRIPTIONS - NONMAJOR FUNDS**

### **FIDUCIARY FUNDS - AGENCY FUNDS**

All of these funds are reflected in the totals of the agency funds presented in the statement of fiduciary net assets.

#### **Civil Fund**

The Civil Fund was established to account for funds held in connection with civil suits, Sheriff's sales, and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

#### **Tax Collector Fund**

The Tax Collector Fund was established per Article V, Section 27 of the Louisiana Constitution of 1974, which provides that the sheriff will serve as the collector of state and parish taxes and fees. The Fund is used to collect and distribute these taxes

#### **Installment Fines Fund**

The Installment Fines Fund is used to account for the collection of fines paid on an installment basis as authorized by the court. Transfers are made to the Bond and Fines Fund when the fine has been completely collected and disposition is made by that f

#### **Bonds and Fines Fund**

The Bonds and Fines Fund is used to account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

#### **Prison Inmate Fund**

The Prison Inmate Fund is used to account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Statement of Fiduciary Assets and Liabilities - Agency Funds  
June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Cash and cash equivalents	<u>\$ 1,020,264</u>	<u>\$ 2,610,780</u>
<b>Liabilities</b>		
Held for others pending court action	\$ 524,093	\$ 430,048
Held for inmates	65,049	28,822
Held for taxing bodies	<u>431,122</u>	<u>2,151,910</u>
Total liabilities	<u>\$ 1,020,264</u>	<u>\$ 2,610,780</u>

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Plaquemines Parish Sheriff (Sheriff) have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed below.

The accounting and reporting policies of the Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera.

As the chief law enforcement officer of the parish, the Sheriff is responsible for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols, investigations, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, fines, costs, and bond forfeitures imposed by the district court.

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. The Sheriff has no business-type activities.

The statement of activities presents a comparison between program revenues of the Sheriff and the cost of the function. Program revenues are derived directly from Sheriff users as a fee for services. Revenues that are not classified as program revenues, including taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the Sheriff are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistently with legal and managerial requirements.

The various funds of the Sheriff are all classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Sheriff or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type: and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Two funds of the Sheriff are considered to be major funds and are described below:

Governmental Funds –

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include state revenue sharing, state supplemental pay for deputies, civil and criminal fees, and fees for court attendance and maintenance of prisoners. General operating expenditures are paid from this fund.

Capital Projects Fund

The capital projects fund was established during fiscal year ended June 30, 1999. This fund is used to account for improvements to the jail facility as well as other lawful expenses and operations of the Sheriff's Office.

The following funds are nonmajor funds:

Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The individual agency funds used by the Sheriff for the year ended June 30, 2004 are as follows:

Civil Fund - To account for funds held in connection with civil suits, Sheriff's sales, and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Tax Collector Fund - Article V, Section 27 of the Louisiana Constitution of 1974, provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Installment Fines Fund - To account for the collection of fines paid on an installment basis as authorized by the court. Transfers are made to the Bonds and Fines Fund when the fine has been completely collected and disposition is made by that fund.

Bonds and Fines Fund - To account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Prison Inmate Fund - To account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within 60 days of the end of the fiscal year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

D. Assets, Liabilities and Equity

Cash, interest-bearing deposits, and investments

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Sheriff.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

Capital Assets

The accounting treatment for building, improvements and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Interest costs are not capitalized as they relate to fixed assets. The Sheriff's threshold for capitalization is \$1,000.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-10 years

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term debt

All long-term debt to be repaid from governmental funds are reported as liabilities in the government-wide statements. The long-term debt consists of the revenue bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt is reported as other financing sources and payment of principal and interest reported as expenditures.

Compensated Absences

Employees of the Sheriff's office earn from 10 to 25 days of vacation leave each year, depending on their length of service and earn 5 days of sick leave. Both vacation and sick leave must be taken in the year it is earned. At June 30, 2004, the Sheriff has no leave benefits required to be accrued and reported.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.



PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

E. Budget and Budgetary Accounting

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The chief administrative deputy prepares a proposed budget and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Sheriff.

F. Cash, Interest-Bearing Deposits and Investments

Cash, interest-bearing deposits and investments include amounts in demand deposits, time deposits, and interest-bearing securities invested with the Louisiana Asset Management Pool (LAMP), which are stated at cost. An investment in the amount of \$4,328 at June 30, 2004 is deposited in LAMP, a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized into the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

G. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Sheriff as an extension of formal budgetary integration in the funds.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

At June 30, 2004, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$1,488,296 of which \$875,591 is attributable to nonmajor fiduciary funds, which are not presented in the statement of net assets.

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2004, are secured as follows:

Bank balances	<u>\$2,625,305</u>
Federal deposit insurance	\$ 200,101
Pledged securities (category 3)	<u>2,425,204</u>
Total federal insurance and pledged securities	<u>\$2,625,305</u>

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Sheriff's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

(3) Investment

The Sheriff had only one investment on which GASB Statement No. 31 applied. This investment was an investment in LAMP. GASB Statement No. 31 requires that investments that fall within the definitions of said statement be recorded at fair value. However, Statement No. 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7. LAMP is also regulated by the Treasury of the State of Louisiana and fair value of the position in the pool is the same as the value of pool shares.

At June 30, 2004, the Sheriff's investment, at cost, is \$4,328. The amortized cost of this investment at June 30, 2004 is \$4,334. Because cost approximates amortized cost, the carrying value was not adjusted.

(4) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the taxing bodies in October and are actually billed to the taxpayers by the Sheriff in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Plaquemines Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2004, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 16.45 mills on property with assessed valuations totaling \$572,465,630.

Total law enforcement taxes levied during 2004 were \$8,904,529. Taxes receivable in the General Fund at June 30, 2004 was \$47,924 and is presented as cash on the statement of net assets because the funds were in the hands of the tax collector at June 30, 2004.

The Sheriff received ad valorem taxes that were paid under protest. It is possible that these taxes (or a portion thereof) will have to be returned to the taxpayer. The amount received of \$305,563 is reflected as a restricted asset. The estimated amount that may have to be refunded is \$76,390 and is reflected as deferred revenue on the balance sheet at June 30, 2004.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Due From Other Governmental Units and Others

Amounts due from other governmental units at June 30, 2004, consist of the following:

Maintenance of prisoners - parish and state	\$ 444,109
State grants	12,460
Parish reimbursements for jail expenditures	175,325
Juvenile maintenance	45,900
Video poker	60,469
Other	<u>166,503</u>
	<u>\$ 904,766</u>

(6) Capital Assets

Capital asset activity for the year ended June 30, 2004 was as follows:

	Balance 07/01/03	Additions	Deletions	Balance 06/30/04
Governmental activities:				
Buildings and improvements	\$ 7,209,668	\$4,990,202	\$ -	\$ 12,199,870
Construction in progress	4,979,681	10,521	(4,990,202)	-
Equipment and vehicles	<u>4,410,213</u>	<u>67,688</u>	<u>(255,088)</u>	<u>4,222,813</u>
Totals	<u>16,599,562</u>	<u>5,068,411</u>	<u>(5,245,290)</u>	<u>16,422,683</u>
Less accumulated depreciation				
Buildings and improvements	(729,808)	(242,682)	-	(972,490)
Equipment and vehicles	<u>(3,758,712)</u>	<u>(291,287)</u>	<u>249,610</u>	<u>(3,800,389)</u>
Total accumulated depreciation	<u>(4,488,520)</u>	<u>(533,969)</u>	<u>249,610</u>	<u>(4,772,879)</u>
Governmental activities, capital assets, net	<u>\$ 12,111,042</u>	<u>\$ 4,534,442</u>	<u>\$ (4,995,680)</u>	<u>\$ 11,649,804</u>

Depreciation expense was charged to governmental activities as operations and maintenance in the amount of \$533,969. Included in equipment and vehicles is \$1,648,962 of vehicles held under capital lease. Accumulated depreciation on these vehicles is \$1,555,416 at June 30, 2004.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(7) Accounts, Contracts, and Other Payables

The accounts, contracts, and other payables consisted of the following at June 30, 2004:

Accounts	\$ 446,376
Contracts	145,984
Due to employees	<u>61,287</u>
Totals	<u>\$ 653,647</u>

(8) Short-Term Debt

The Sheriff borrowed \$5,500,000 from Regions National Bank during the course of the fiscal year ended June 30, 2004 to cover general operating expenditures. This was a revenue anticipation note, bearing interest at 3.98%. Principal payments were made during the course of the fiscal year. The remaining principal of \$540,000 and interest of \$70,786 were paid on July 1, 2004. The Sheriff is authorized to borrow \$4,500,000 during the fiscal year ended June 30, 2005. These funds will be used to cover general operating expenditures and will be repaid from ad valorem taxes.

(9) Long-Term Debt

The following is a summary of long-term debt transactions of the Sheriff for the year ended June 30, 2004:

Long-term debt, June 30, 2003	\$ 5,709,745
Debt assumed	6,110,000
Less: deferred amount on refunding	(350,791)
amortization on deferred amount	<u>87,698</u> (263,093)
Debt retired	<u>(5,709,745)</u>
Long-term debt, June 30, 2004	<u>\$ 5,846,907</u>

The General Fund has historically paid this debt.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

\$6,110,000 2004 Certificate of Indebtedness due in annual installments of \$705,000 to \$835,000 ; interest rates of 2.00 percent to 3.10 percent; full maturity at March, 2012.	\$6,110,000
Less: current portion	(617,302)
Less: deferred amount on refunding amortization on deferred amount	(350,791) <u>87,698</u> <u>(263,093)</u>
Total long-term portion	<u>\$5,229,605</u>

The annual requirements to amortize all debt outstanding as of June 30, 2004 are as follows:

Year Ending	Principal	Amortization	Interest	Total
June 30,				
2005	\$ 705,000	\$ (87,698)	\$ 159,810	\$ 777,112
2006	720,000	(87,698)	138,910	771,212
2007	730,000	(87,697)	124,510	766,813
2008	750,000	-	109,910	859,910
2009	770,000	-	91,160	861,160
2010-2012	<u>2,435,000</u>	<u>-</u>	<u>147,980</u>	<u>2,582,980</u>
	<u>\$6,110,000</u>	<u>\$ (263,093)</u>	<u>\$ 772,280</u>	<u>\$ 6,619,187</u>

The Sheriff issued \$6,110,000 of general obligation bonds (new debt) as a current refunding of \$5,635,000 of general obligation bonds (old debt). The refunding was done to reduce the interest rate and to extend the amortization period. The reacquisition price exceeded the net carrying amount price of the old debt by \$350,791. This amount is reflected as a reduction of the new debt and is being amortized over the remaining life of the refunded debt.

(10) Pension Plan

Plan Description: The Plaquemines Parish Sheriff contributes to the Sheriff's Pension and Relief Fund, a cost-sharing multiple employer defined benefit pension plan administered by the Sheriff's Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to sheriff and deputy sheriff members throughout the State of Louisiana. The Sheriff's Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Sheriff's Pension and

PLAQUEMINES PARISH SHERIFF  
Pointe-A-la-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Sheriff's Pension and Relief Fund, P.O. Box 3163, Monroe, LA 71210-3136.

Funding Policy: Plan members are required to contribute 9.8% of their annual covered salary and the Plaquemines Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 9.25% of annual covered payroll. The contribution requirements of plan members and the Plaquemines Parish Sheriff are estimated and may be amended by the Sheriff's Pension and Relief Fund. The Plaquemines Parish Sheriff's contributions to the Retirement System for the years ended June 30, 2004, 2003 and 2002 were \$923,966, \$762,224 and \$783,853, respectively.

(11) Postretirement Health Care and Life Insurance Benefits

The Sheriff provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Sheriff's employees become eligible for those benefits if they reach normal retirement age while working for the Sheriff. These benefits for the eight retirees and similar benefits for 222 active employees are provided through a self-insurance plan. The Sheriff recognizes the cost of providing the benefits for retirees as an expenditure when the monthly premiums are due. For the year ended June 30, 2004 the amount of retiree benefit expenditures (net of participant contributions of \$15,584) approximated \$49,096.

(12) Risk Management

The Sheriff is exposed to risks of loss in the areas of health care, general and auto liability, property hazards, and workers' compensation. Health care risk, auto and professional liability, and workers' compensation risk are handled by self-insurance plans, which are explained in the following paragraphs. Property hazards are handled by purchasing commercial insurance. There have been no significant reductions in this insurance coverage during the current fiscal year, nor have settlements exceeded coverage for the past three years.

A. Health Care Liability

The Sheriff established a limited risk management program for group hospitalization insurance. The Sheriff hired Gulf South Risk Services, Inc. as administrator for this program. This plan provides employee health benefits up to a maximum of \$1,000,000 per employee in a lifetime. The Sheriff purchases commercial insurance for individual claims in excess of \$75,000.

The General Fund of the Sheriff recognizes the assets, liabilities, revenues and expenditures of the group hospitalization insurance plan. The claims liability of \$161,878 reported in the fund at June 30, 2004, is based on the loss that is probable to have existed at the date of the financial statements and the amount of the loss that can be reasonably reduced by estimated insurance reimbursements. The Sheriff currently does not discount its claims liabilities.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

B. Auto Liability and Professional Liability

The Sheriff established a self-insurance plan to account for and finance its uninsured risk of loss, which is administered by Gallagher Basset Services. Under this plan, the Sheriff has a claims made policy with Coregis Insurance Company. The Sheriff is liable for claims up to \$25,000 per covered employee or dependent. The aggregate maximum that the Sheriff is liable for is \$500,000 for policy year ended September 2004.

C. Workers' Compensation

The Sheriff established a limited risk management program for workers' compensation. The Sheriff hired Gulf South Risk Services, Inc. as the administrator for this program. The Sheriff purchases commercial insurance for individual claims in excess of \$200,000. Incurred but not paid claims have been accrued as a component of claims payable.

A reconciliation of changes in liabilities is as follows:

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year-End
<b>Group hospitalization</b>				
2002-2003	224,483	1,307,036	(1,369,823)	161,696
2003-2004	161,696	1,152,730	(1,152,548)	161,878
<b>Auto &amp; Professional</b>				
2002-2003	49,451	182,639	(161,029)	71,061
2003-2004	71,061	214,731	(193,198)	92,594
<b>Workers' Compensation</b>				
2002-2003	31,113	160,278	(140,878)	50,513
2003-2004	50,513	103,742	(128,134)	26,121



PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Claims payable for group hospitalization of \$161,878 at June 30, 2004 was determined as follows:

1. Claims incurred prior to June 30, 2004 and paid subsequently	
a. June 30, 2004 claims payment checks held as of June 30, 2004	\$ 92,377
b. Paid as of September 30, 2004	115,321
2. Provision for claims incurred but not reported	-
3. Health insurance receivable	<u>(45,820)</u>
Total claims payable	<u>\$ 161,878</u>

The provision for claims incurred but not reported was estimated at June 30, 2004 based on historical information.

Claims payable for auto and professional liability and for workers' compensation is based on information provided by a third party administrator.

Claims payable has another component as described in Note (15).

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(13) Changes in Agency Fund Balances

A summary of changes in agency fund balances due to taxing bodies and others and due to prisoners follows:

	<u>Civil Fund</u>	<u>Tax Collector Fund</u>	<u>Installment Fines Fund</u>	<u>Bonds and Fines Fund</u>	<u>Prison Inmate Fund</u>
Balances, June 30, 2003	\$ 100,848	\$ 2,151,910	\$ 142,888	\$ 186,312	\$ 28,822
Additions	565,869	37,080,580	97,778	1,022,996	407,977
Reductions	<u>(551,099)</u>	<u>(38,801,368)</u>	<u>(71,278)</u>	<u>(970,221)</u>	<u>(371,750)</u>
Balances, June 30, 2004	<u>\$ 115,618</u>	<u>\$ 431,122</u>	<u>\$ 169,388</u>	<u>\$ 239,087</u>	<u>\$ 65,049</u>

(14) Operating Leases

Rental expense for the year ended June 30, 2004 was \$30,249. The Sheriff had the following outstanding lease agreements at June 30, 2004:

<u>Description</u>	<u>Term</u>	<u>Expiration Date</u>	<u>Monthly Lease Amount</u>
Postage meter	5 Years	11/08	\$ 215
Copy machine	4 Years	10/04	132
Copy machine	3 Years	08/05	137
Copy machine	3 Years	01/05	118

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

The minimum future payments for these arrangements are as follows:

2005	\$ 5,573
2006	2,850
2007	2,577
2008	2,577
2009	<u>859</u>
Total	<u>\$ 14,436</u>

(15) Commitments and Contingencies

At June 30, 2004, the Sheriff is involved in several lawsuits claiming damages. All claims are covered by the self-insured plan and are addressed in Note (12), part B, with the exception of one lawsuit, which is not covered by insurance.

An accrual of \$15,000 has been recorded for the uninsured lawsuit that was referred to above. The \$15,000 is reflected as a component of claims payable on the statement of net assets.

(16) Expenditures of the Sheriff's Office Paid by the Parish Council

The Sheriff's office is located in a Parish Government building. The cost of maintaining and operating the parish building, as required by statute, is paid by the Plaquemines Parish Council. These expenditures are not included in the accompanying financial statements.

(17) Deficit Fund Balance

The Capital Projects Fund of the Sheriff's department has a deficit fund balance of \$145,984 at June 30, 2004. This deficit will be funded by the General Fund.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Taxes:</b>				
Ad valorem	\$ 8,450,000	\$ 8,750,000	\$ 8,739,076	\$ (10,924)
<b>Intergovernmental:</b>				
Refuge revenue sharing (payment in lieu) State of Louisiana -	22,000	20,614	75,807	55,193
Revenue sharing	235,000	236,034	236,034	-
Poker machines	167,000	185,000	237,187	52,187
Supplemental pay	375,000	330,000	333,679	3,679
Grants	35,500	81,719	123,677	41,958
Total intergovernmental	<u>834,500</u>	<u>853,367</u>	<u>1,006,384</u>	<u>153,017</u>
<b>Fees, charges, and commissions for services:</b>				
Feeding and keeping prisoners	2,659,000	2,617,000	2,535,762	(81,238)
Civil and criminal fees	485,500	384,250	433,174	48,924
Reimbursements from parish council	975,000	450,000	579,115	129,115
Commissary sales commissions	100,000	80,000	75,543	(4,457)
Witness fees	25,000	5,000	30,478	25,478
Total fees, charges, and commissions for services	<u>4,244,500</u>	<u>3,536,250</u>	<u>3,654,072</u>	<u>117,822</u>
Interest income	<u>52,000</u>	<u>22,000</u>	<u>34,424</u>	<u>12,424</u>
<b>Miscellaneous:</b>				
Contraband	10,000	16,805	33,905	17,100
Miscellaneous	42,300	33,900	70,126	36,226
Donations	1,500	3,058	12,070	9,012
Total miscellaneous	<u>53,800</u>	<u>53,763</u>	<u>116,101</u>	<u>62,338</u>
Total revenues	<u>\$ 13,634,800</u>	<u>\$ 13,215,380</u>	<u>\$ 13,550,057</u>	<u>\$ 334,677</u>

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Current:</b>				
<b>Public Safety</b>				
<b>Personal services and related benefits:</b>				
Sheriff's salary and expense allowance	84,700	84,700	109,559	(24,859)
Deputies' salaries	5,000,000	5,030,000	4,845,787	184,213
Other salaries	-	-	12,428	(12,428)
Pension and payroll taxes	<u>858,500</u>	<u>972,700</u>	<u>1,003,903</u>	<u>(31,203)</u>
Total personnel service and related benefits	<u>5,943,200</u>	<u>6,087,400</u>	<u>5,971,677</u>	<u>115,723</u>
<b>Operating services:</b>				
Hospitalization insurance	1,700,000	1,300,000	863,972	436,028
Hospitalization reinsurance/admin. fee	125,000	200,000	288,575	(88,575)
Life insurance	96,000	115,000	101,853	13,147
Auto insurance	200,000	247,000	381,057	(134,057)
Deputy liability insurance	275,000	340,000	193,198	146,802
Other liability insurance	<u>143,000</u>	<u>287,000</u>	<u>252,442</u>	<u>34,558</u>
Total operating services	<u>2,539,000</u>	<u>2,489,000</u>	<u>2,081,097</u>	<u>407,903</u>
<b>Operations and maintenance</b>				
Auto fuel and oil	275,000	300,000	364,101	(64,101)
Auto maintenance	300,000	300,000	301,594	(1,594)
Deputy uniforms, supplies, etc.	104,500	129,000	225,016	(96,016)
Office supplies and expenses	75,000	75,000	96,046	(21,046)
Recordation expenses	7,500	7,000	45,558	(38,558)
Beeper expense	12,000	35,000	7,591	27,409
Community services	5,000	5,000	1,686	3,314
Leases, rentals and utilities	20,000	34,800	32,520	2,280
Utilities	225,000	291,000	266,584	24,416
Commissary	40,000	10,000	14,531	(4,531)
Telephone	110,000	100,000	105,017	(5,017)
Prisoner feeding and maintenance	471,500	679,500	786,886	(107,386)
Legal fees	35,000	60,000	72,118	(12,118)
Other professional fees	68,000	78,000	135,562	(57,562)

(continued)

PLAQUEMINES PARISH SHERIFF  
 Pointe-A-La-Flache, Louisiana  
 General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
 For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Criminal investigation expense	5,000	60,000	92,145	(32,145)
Equipment maintenance	80,000	125,000	62,649	62,351
Boat and computer maintenance	28,000	59,500	59,014	486
Witness fees	1,000	100	450	(350)
Membership dues	11,000	12,000	14,215	(2,215)
Other	4,200	53,537	37,524	16,013
Total operations and maintenance	<u>\$ 1,877,700</u>	<u>\$ 2,414,437</u>	<u>\$ 2,720,807</u>	<u>\$ (306,370)</u>
Travel	<u>100</u>	<u>1,000</u>	<u>3,496</u>	<u>(2,496)</u>
Debt service:				
Principal bond payments	1,040,000	-	16,480	(16,480)
Interest	470,400	312,700	380,739	(68,039)
Capital lease principal payments	<u>200,000</u>	<u>83,900</u>	<u>74,745</u>	<u>9,155</u>
Total debt service	<u>1,710,400</u>	<u>396,600</u>	<u>471,964</u>	<u>(75,364)</u>
Capital outlay:				
Equipment	<u>26,000</u>	<u>102,500</u>	<u>80,490</u>	<u>22,010</u>
Total capital outlay	<u>26,000</u>	<u>102,500</u>	<u>80,490</u>	<u>22,010</u>
Total expenditures	<u>\$ 12,096,400</u>	<u>\$ 11,490,937</u>	<u>\$ 11,329,531</u>	<u>\$ 161,406</u>

The accompanying notes are an integral part of the basic financial statements.

**OTHER SUPPLEMENTARY INFORMATION**



**COMPLIANCE  
AND  
INTERNAL CONTROL**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Byron Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Conrad G. Chapman, CPA\*  
P. Troy Courville, CPA\*  
Gerard A. Tribodeaux, Jr., CPA\*

P.O. Box 250  
Breaux Bridge, LA 70517

Phone (337) 332-4020  
Fax (337) 332-2867

WEB SITE  
WWW.KCSRPCAS.COM

MEMBER OF:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

Robert S. Carior, CPA  
Allen J. LaBry, CPA  
Harry J. Cloutier, CPA  
Penny Angelle Scruggins, CPA  
Christine L. Cousin, CPA  
Mary T. Tribodeaux, CPA  
Kelly M. Doucet, CPA  
Kenneth J. Rachal, CPA  
Cheryl L. Bartley, CPA, CVA

\* A Professional Accounting Corporation

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Irvin F. Hingle, Jr.  
Plaquemines Parish Sheriff  
Pointe-A-La-Hache, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Plaquemines Parish Sheriff, as of and for the year ended June 30, 2004, which collectively comprise the Sheriff's basic financial and have issued our report thereon dated October 22, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Plaquemines Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of prior and current audit findings and management's corrective action plan as items 04-1.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Plaquemines Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Plaquemines Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition noted is described in the accompanying schedule of prior and current audit findings and management's corrective action plan as item 04-2.

23 North Beaulieu Road  
Lafayette, LA 70503  
Phone (337) 232-1141  
Fax (337) 232-8699

117 East Bridge Street  
Breaux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

12 East Woodliff  
Marrsville, LA 70351  
Phone (985) 279-2282  
Fax (985) 251-3083

133 Duroc Drive, Suite 100  
Morgan City, LA 70391  
Phone (985) 381-2820  
Fax (985) 381-3026

198 West 7th Street  
Vladimir, LA 70586  
Phone (337) 363-2762  
Fax (337) 363-2646

332 West Sixth Avenue  
Gretna, LA 70655  
Phone (337) 659-2737  
Fax (337) 659-1868

200 South Main Street  
Abbeville, LA 70519  
Phone (337) 893-2643  
Fax (337) 893-0446

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described as item 04-2 to be a material weakness.

This report is intended solely for the information and use of management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
October 22, 2004

Plaquemines Parish Sheriff  
Pointe-A-La-Hache, Louisiana

Schedule of Prior and Current Audit Findings and  
Management's Corrective Action Plan  
Year Ended June 30, 2004

Prior Audit Findings:

Compliance:

03-1 Noncompliance with Louisiana Fiscal Agency and Cash Management Laws

Finding:

The Sheriff's department had unsecured deposits of approximately \$3,600,000 at one financial institution at June 30, 2003.

Status:

Resolved.

03-2 Property Taxes

Finding:

Property taxes, on one occasion, were not settled within the first ten days of the month following the month of collection in accordance with Louisiana Revised Statutes 47:2060.

Status:

Unresolved. See item 04-1.

03-3 Noncompliance with Louisiana Local Government Budget Act

Finding:

Louisiana Revised Statutes (LSA-R.S.) 39:1301-1314, known as the Local Government Budget Act, requires that the budget be amended when total actual revenues plus projected revenues failed to meet the budgeted revenues by five percent or more. The General Fund had an unfavorable variance of approximately 13.5%.

Status:

Resolved.

(Continued)

Plaquemines Parish Sheriff  
Pointe-A-La-Hache, Louisiana

Schedule of Prior and Current Audit Findings and  
Management's Corrective Action Plan (Continued)  
Year Ended June 30, 2004

03-4 Noncompliance with Records Laws

Finding:

During the course of the audit, inquiries were made regarding public records procedures. It was noted that the Sheriff's department does not issue incident reports to persons requesting these reports unless the person is involved in the incident. This is a violation of Louisiana Revised Statutes Title 44.

Status:

Resolved.

03-5 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees the Sheriff did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See item 04-2.

Management Letter Items:

There were no management letter items at June 30, 2003.

(Continued)

Plaquemines Parish Sheriff  
Pointe-A-La-Hache, Louisiana

Schedule of Prior and Current Audit Findings and  
Management's Corrective Action Plan (Continued)  
Year Ended June 30, 2004

Current Audit Findings:

Compliance:

04-1 Property Taxes

Finding:

Property taxes, on one occasion, were not settled within the first ten days of the month following the month of collection in accordance with Louisiana Revised Statutes 47:2060.

Management's Corrective Action Plan:

Ms. Monica Nicosia, Senior Accountant, will place more emphasis on timely settlements of property taxes. This plan will be implemented immediately.

04-2 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees the Sheriff did not have adequate segregation of functions within the accounting system.

Management's Corrective Action Plan:

Sheriff Hingle has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

Management Letter Items:

There are no management letter items at June 30, 2004.